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C O N F I D E N T I A L SECTION 01 OF 04 ASHGABAT 000525

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DEPT FOR SCA (DEUTSCH), SCA/CEN (PERRY) AND SCA/AF

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TAGS: [PREL](#) [ENRG](#) [PGOV](#) [TX](#) [AF](#) [US](#)

SUBJECT: TURKMENISTAN'S DEPUTY FOREIGN MINISTER HAGYEV TELLS AMBASSADOR NEUMANN TURKMENISTAN WANTS TO INCREASE ELECTRICITY SALES TO AFGHANISTAN

REF: A. A) ASHGABAT 317  
      B) ASHGABAT 504

Classified By: Classified by Charge d'Affaires a.i. Jennifer Brush for reasons 1.4 (B) and (D).

Summary

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¶1. (C) Turkmenistan's Deputy Foreign Minister Hagyev told SCA Special Envoy for Assistance to Afghanistan Ron Neumann on May 21 that his country was eager to provide additional electricity to Afghanistan on a "mutually beneficial" basis, but was concerned by a "change in the wind" on Afghanistan's side that was stopping a "good idea" midstream. Hagyev was reluctant to accept Neumann's suggestion that beginning negotiations on a power purchase agreement (PPA) would help get things rolling again, and maintained that Turkmenistan already had long-term (Memorandum of Understanding and protocol) agreements with Afghanistan. However, he expressed willingness for USG representatives to attend PPA negotiations; he also took on board Neumann's point on the importance of "electrifying" Kabul by the 2009 presidential election there. This point on the importance of providing Kabul with electricity in time for the election will not escape Deputy Chairman for Foreign Affairs Meredov -- Hagyev's boss -- and may help get negotiations started; Turkmenistan fully recognizes the importance to its own security of maintaining a stable, moderate government in Kabul.

¶2. (SBU) A subsequent meeting with Turkmenistan's Ministry of National Security (MNB) -- which bears ultimate responsibility for the country's counter-narcotics effort -- was unsubstantive, given the last-minute substitution of Neumann's interlocutor due to a leadership shake-up. A meeting with two international organization implementers -- UNODC and EU-BOMCA -- elicited the proposal of a comprehensive cross-regional program that would simultaneously give Turkmenistan's border and customs officials the skills and contacts they needed to combat narcotics trafficking more effectively. End Summary.

Neumann: Thank You for Support to Afghanistan

¶3. (C) During a May 19-22 visit to Ashgabat, SCA Special Envoy for Assistance to Afghanistan Ron Neumann thanked Turkmenistan's Deputy Foreign Minister Wepa Hagyev for Turkmenistan's forgiveness of Afghanistan's debt and for its support for the Gas and Go assistance to U.S. humanitarian flights from Afghanistan. Specifically Neumann said he wanted to focus on two areas for further cooperation:

-- Electricity Cooperation - The United States was financing an electrical transmission system in Afghanistan and was interested in increased electricity delivery from Turkmenistan, in particular to bring power to Kabul; and

-- Border Security and Counter-Narcotics Cooperation.

We Are the Best Energy Source...but the Winds from Afghanistan are Fickle

¶4. (C) Hagyev noted that Turkmenistan's cooperation with Afghanistan on electricity began several years ago, following President Karzai's election. That cooperation had increased over the years. Afghanistan's plan to take Turkmenistan's electricity from Mazar-e-Sharif to Kabul was a good project that would not only improve Afghanistan's economic infrastructure, but would also improve its internal stability. In that regard, Turkmenistan was a better source of energy than other countries in the region, which either could only provide electricity on a seasonal basis, or which would turn off power the moment Afghanistan was late on a payment. "We don't have those issues," he said.

ASHGABAT 00000525 002 OF 004

Unfortunately, Afghanistan's perspective was often subjective and changed with whoever was Minister of Energy. The wind had blown in one direction when Shahiq Khadar had been minister; now that Ismail Khan was minister, it had changed direction. Hagyev refused to clarify this thought, alternatively making comments about Tajikistan's inability to provide regular deliveries and Iran's political agenda in Afghanistan. Hagyev again stressed Turkmenistan's commitment to mutually beneficial cooperation; noting the presence of USAID advisors in Afghanistan's Ministry of Energy, he said that it would be "good" if the situation in Afghanistan would change.

PPA Negotiations Benefit All

¶5. (C) Neumann said he thought the lack of communication between the Governments of Turkmenistan and Afghanistan might have led to a misunderstanding. There was major international interest in bringing power to Kabul, and the United States, India, World Bank, Asian Development Bank and Germany were working together to that end. As a result of their deep involvement in the program, these donors had a great deal of influence in this program. In particular, the United States wanted to see a power purchase agreement (PPA) agreed upon quickly, and initiating PPA negotiations would be the most practical way of bringing clarity to Turkmenistan's sale of electricity to its neighbor. Given the donors' interest in this program, these negotiations would involve U.S. as well as Afghani officials, which would decrease the possibility for decisions to be political. Neumann stressed that Afghanistan wanted to begin PPA negotiations, but was waiting for a response from Turkmenistan. In response to Neumann's question about Turkmenistan's interest in negotiating a PPA, Hagyev said "who said we don't?" and then added that Turkmenistan already had a long-term agreement with Afghanistan. Turkmenistan also reached an agreement with a delegation that visited Ashgabat in March (ref A).

¶6. (C) Ambassador Neumann responded to Hagyev's points by

pointing out that:

-- The transmission line within Afghanistan was only now being completed, so there had not previously been a reason to buy energy, since there was no way to transmit it; and

-- The agreements that Hagyev was referring to were political, rather than economic in nature. Turkmenistan needed to take the next step and negotiate a more detailed PPA in order to move the political agreement to the economic stage. The donors had pressed Afghanistan hard on this and, Neumann again stressed, this would be the easiest way of resolving delays on Afghanistan's side.

Electrify Kabul by 2008

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17. (C) Neumann emphasized the importance of having power reach Kabul by 2008 or early 2009, in order to ensure that the Afghani presidential election results would not prove "embarrassing." In this regard, the United States would be grateful for Turkmenistan's assistance in seeing this program come through in time. Noting that a year was a short time to see the project through, Hagyev expressed the hope that the program would come together on time and that Karzai would remain in power; while "electrifying" Afghanistan was important to the country's current leadership, it also was essential to restore peace. In response to Hagyev's statement that Turkmenistan considered the security situation in Afghanistan as steadily worsening, Neumann replied that the reports that the situation was worsening were coming from the press. Actually, the situation had improved substantially and, following the killing of Mullah Dadullah, the Taliban was no longer fighting as hard. Hagyev agreed that Dadullah's death was positive, but continued that the criminal situation also was worsening in Afghanistan's west,

ASHGABAT 00000525 003 OF 004

north and southwest provinces. Neumann agreed that criminal elements were growing in some provinces but said this was the result of the a weak central government. He was encouraged, he said, by Karzai's moves to replace corrupt and/or weak regional government officials over time. Additional NATO forces had been moved into some provinces, while Afghanistan military were being moved into other provinces. In the north, where criminals were a problem, an EU program to train police and a U.S. decision to spend \$1.9 billion to train and equip police would help improve the situation. Hagyev also briefly stressed the need to prevent extremists from spreading their ideas among Afghanistan's politically illiterate people; if the United States was not careful, 50 people could quickly gain a base of 500 supporters. Neumann stressed that the United States, United Nations and others involved in Afghanistan were committed to seeing a peaceful outcome.

Border Security and Counternarcotics Meeting Non-substantive

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18. (C) As a result of recent shake-ups in the Ministry of National Security, Neumann was only able to meet with Deputy Minister of National Security (MNB) Ovez Allaberdiev, who opened the meeting saying he was just back from a business trip and that this was not his portfolio. (Comment: Allaberdiev was referring to MNB First Deputy Agadjan Pashyev, who was released from his position on May 15 (ref b). This meeting confirmed that Pashyev's position was still vacant, and implies that Pashyev's dismissal has left a vaccum in the counternarcotics field. End Comment.)

19. (C) This opening address set the tone for the balance of the meeting. Allaberdiev continued to speak in vague terms about Turkmenistan's "great interest" in Afghanistan's security, but his only offer was to consider future assistance programs to support U.S. efforts in Afghanistan; he made no proposals. Charge referenced the USG-funded Imam

Nazar border-crossing station project to encourage cross-border dialogue between Afghanistan and Turkmenistan in an attempt to engage Allaberdiev. But it was the Ministry of Foreign Affairs (MFA) Americas Desk Officer Azat Niyazmuhammedov who pinch-hit for Allaberdiev when he authoritatively answered the question by describing the archaic border commissar system that involves raising a flag on one side of the border then soliciting Ashgabat's permission to talk to local border officials. There was no further discussion. (Comment: The lack of any real substance in the MNB meeting confirmed that the national counternarcotics and border security portfolios are securely in the hands of the MNB. End Comment.)

#### Brainstorming a Cross-Regional Counter-Narcotics Strategy

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¶10. (SBU) In a meeting with the country manager of the EU-funded Border Management and Drug Action Programmes in Central Asia (BOMCA), Batyr Kurbanov, and United Nations Office on Drugs and Crimes (UNODC) project coordinator, Ercan Saka, discussion focused on the success of several pilot projects on border security and narcotics smuggling. Saka suggested that program partners "copy and paste" these successful projects into a cross-regional, comprehensive initiative to combat cross-border smuggling. The U.S. government could provide significant funding from a variety of sources that shared the objectives of promoting cross-regional cooperation and counter-narcotics work. BOMCA or UNODC could act as neutral project implementers, and assistance for Iran-focused program elements could be taken from non-U.S. sources. All parties agreed that a cross-regional project was essential, or narcotics trafficking would simply find new routes. Neumann recommended that this idea be brought to the attention of senior planners in Washington for discussion.

#### Little Sympathy for Afghanistan from Neighbors

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ASHGABAT 00000525 004 OF 004

¶11. (C) During a dinner hosted by the Charge, ambassadors from Tajikistan, Afghanistan, Georgia, Poland and the UK, and the Pakistani Charge listened closely to Neumann's assessment of the situation in Afghanistan. Afghanistani Ambassador Abdul Karim Khaddam outlined the difficulties his country faced. Rather than sympathizing with his colleague, however, Tajikistani ambassador Kozidavlat Koimododov said that Afghanistan needed to work harder to address its problems; after all, Tajikistan, too, had faced civil war, and was now on the road to recovery, thanks largely to its own efforts.

#### Comment

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¶12. (C) Ambassador Neumann's meetings demonstrated the lack of communication between the Governments of Turkmenistan and Afghanistan, as well as the need for the USG to play the role of middleman. The Turkmenistani side showed a lack of even a basic understanding of commercial agreements, preferring to rely on Soviet-era protocols and memoranda of understanding, as well as a tendency to blame lack of progress on a variety of conspiracy theories. Though it should seem easy to link a supplier to a buyer, even relatively good intentions are insufficient to break the paralysis of host nation governmental inefficiency and distrust. Neumann's visit was successful in obtaining Government of Turkmenistan's passive agreement to start negotiating a PPA -- it will review a draft provided by the Government of Afghanistan. Embassy looks forward to working with USAID and other Embassy Kabul elements in preparing and transmitting an eventual draft, and to encouraging the Government of Turkmenistan to take a seat at the negotiating table. End Comment.